0009

SURFACE INSPECTION COMPLIANCE REPORT

Date of Inspection: December 19, 2000

Case Serial No.: UTU-075888

Operator: Resource Design Solutions (RDS)

Project Description: Mining Granite

Legal Description: SE½ Sec. 35, T. 12 S., R. 7 W.

Field Office: Fillmore

Inspector: Larry Garahana

REPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

The last inspection was conducted on Nov. 22, 2000, with Tom Munson of DOGM, Joe Dunlop and Shayne Harris of RDS. RDS agreed to have portions this site reclaimed by Dec. 31, 2000.

Upon arrival at this site I found that there had been no reclamation work conducted on the areas agreed upon, but there had been further evidence of mining and road construction for their mining operation conducted with the dozer that has been parked on site as well as their smaller tools.

I found an assortment of tools left at the site, including a new compressor, the pneumatic tools for drilling, and various hand tools (see photos). I also found evidence of explosives left out in the open along with said tools (see photos).

At this point, from the site I used my Government issued cell-phone to call Joe Dunlop of RDS. I asked him what was the status of their Desert Mountain operation, and he said, not knowing I was at the site, "Their completing the reclamation as we speak". I then told him I was sitting at the site and that nobody was here, and that no reclamation has taken place. After a long pause, he then said that Justin (the cat owner) was on his way out from Delta to begin later that day. I reminded him that he had until the end of the month to have this complete, and he said that would be no problem.

We'll continue to monitor the progress and report on what we find.

Signature of Inspector

Signature of Authorized Officer